

April 18, 1990

REPORT TO THE HONORABLE
MAYOR AND CITY COUNCIL
SELECTION OF BOND COUNSEL FOR THE CITY OF SAN DIEGO
SECONDARY TREATMENT/WASTEWATER RECLAMATION PROJECT

On December 21, 1989, the City Attorney's office distributed requests for proposals (RFP) to provide bond counsel services in connection with the financing of the Secondary Treatment/Waste-water Reclamation Project to twenty-three (23) law firms with national reputations as bond counsel. The RFP advised prospective counsel to anticipate a total bonded indebtedness of approximately two billion dollars (\$2,000,000,000).

Thirteen (13) recipients of the RFP submitted proposals including information regarding the firm's prior experience as bond counsel, minority/gender ratios, fee schedules and individual attorney resumes. Upon receipt of these proposals, this office conducted a preliminary comparison of the quoted fee schedules and compiled a "short list" consisting of the five (5) least costly quotes. An additional factor in compiling the short list was whether or not the responding firm had been retained as bond counsel by The City of San Diego within the past year.

On February 15 and 16, 1990, the five (5) short listed firms were interviewed by a selection committee consisting of representatives from the City Attorney's office (Assistant City Attorney Curtis M. Fitzpatrick, Chief Deputy City Attorney Ted Bromfield and Deputy City Attorney Richard L. Pinckard). Representatives from the Auditor's office (Terry Webster), City Manager's office (Deputy City Manager Roger Frauenfelder), Financial Management (Jack Farris) and the Financial Advisors (Billy Cobbs) were also invited to observe the presentations delivered by each interviewed firm.

Upon completion of the interviews and re-examination of the original proposals, the firm of Orrick, Herrington & Sutcliffe co-venturing with the Minority Business Enterprise (MBE) firm of Arnelle & Hastie was found, in totality, to offer comprehensive municipal debt financing experience and familiarity with wastewater facilities financings, at a reasonable fee. Orrick,

Herrington & Sutcliffe have a national reputation as bond counsel, and according to statistics compiled by Securities Data Company, Inc., and as published in The Bond Buyer, ranked first

in the country in aggregate dollar volume of bonds issued in 1989.

Orrick, Herrington & Sutcliffe co-venturing with the MBE firm Arnelle & Hastie are recommended to act as bond counsel on this project. They have quoted a fee of seventy-six thousand four hundred seventy-five dollars (\$76,475) for an initial issuance of bonds involving a variable rate financing. Seventy-six thousand four hundred seventy-five dollars (\$76,475) is available in the Sewer Fund, Clean Water Program (70711).

Respectfully submitted,

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